

over Boeing to make our critical new aerial refueling tanker. This is the Air Force, not Alice in Wonderland. I pay credit and associate myself with the remarks of the distinguished Senator from Washington, Mrs. MURRAY, and thank her for reserving this time, for taking a leadership role, along with her colleague from Washington, Senator CANTWELL. I thank them both for their efforts. We are going to need a bipartisan approach to this to see if we can't get some answers.

Simply put, it does not make sense that the Air Force would choose a foreign entity that has no prior tanker experience to build the next generation of refueling aircraft for the men and women of our Air Force. I met with the Air Force yesterday. I appreciate that. It was about an hour and a half meeting. It was not pleasant. We had what we call "meaningful dialog." I am still not satisfied with their conclusion. In fact, I think there are many more questions that must be answered before this bid conclusion should move forward.

For example, as the distinguished Senator has pointed out, why can't the Air Force brief Boeing sooner than next week? We already have leaks all over this town as to exactly what happened and the specifics of the RFP and the bid selection and everything else, but Boeing has not had a debriefing. Yesterday the Air Force said it was OK, that Boeing said: Fine, we are OK with a briefing next week on Tuesday. That is not the case.

The two competitors were originally told that the briefing would be within 4 to 5 days of the contract announcement. The Air Force is not holding up to that bargain. Why did the secondary cargo mission—i.e., a larger plane—factor so large in the announcement briefing when this was a competition for a tanker? How could an airplane as large as the A330, which burns 24 percent more in fuel than the KC-767, possibly be valued as less costly? How did the Air Force evaluate the risk associated with a foreign government owning and subsidizing the Airbus tanker? Why were the fixed price options discussed at the announcement brief when the life-cycle cost was supposed to be the only measure? Is the Air Force concerned about delays and other issues stemming from the fact that EADS Airbus have never built a tanker with a boom? Will the Air Force need new equipment to deal with the repair of a foreign tanker? Why does the Air Force place cargo space over fuel efficiency and the ability to land and take off from more places? Where is this larger airplane going to land? Is the Air Force prepared to pay way more for the Airbus because of the amount of fuel it takes to fly them and the amount of capital it takes to open a brandnew assembly line in Europe? Is the Air Force aware that they currently do not use all of their available cargo space in the fleet? Is the Air Force aware that the Boeing 767 would provide even greater cargo space than they have now?

What about the issues regarding the fact that the EADS Airbus company made the Lakota light utility helicopter? The way it was delivered, it can't even fly on hot days. They are putting air conditioning units in that helicopter. That makes it modified and makes it less maneuverable.

Is the Air Force at all concerned with the backlash, described by Senator MURRAY, all across this country regarding the fact that they did not consider American jobs, much less the WTO dispute with Airbus or government subsidies issue with the EADS proposal? I can tell you, I hope I have been able to express my dismay over the Air Force's choice, but the problems simply don't end there. The Airbus frame will be made in Europe. There is no question about that. The nose will be made in France, the wings in Great Britain, and part of the fuselage in Germany. Bonjour, the Air Force has certainly gone into the wild blue European yonder, and they have never done this before.

The Air Force gave no consideration to the fact that Boeing has built a tanker that lasted over 50 years. With every airframe being built in France, we are paying for the French national health care system. What kind of sense does that make? In fact, they gave more credit to Northrup Grumman for making other defense systems as recently as last year than they did Boeing. That is saying something about this competition when you consider Northrup won't even be making most of the plane. Airbus will. Again and again in this competition, the Air Force has not judged the two bids fairly. Not only did they not consider past performance accurately, they also placed a much higher price on the cargo space than they led anyone to believe.

As my colleague from Kansas, Congressman TODD TIAHRT, expressed yesterday in the meeting with the Air Force, if they wanted an aircraft as large as the KC-10, they should have put out an RFP for one. But they didn't. They asked for a tanker, and that is what Boeing proposed. Airbus proposed something much different. It is my opinion that the men and women flying those aircraft are going to suffer for it.

Make no mistake: Unless something changes, we will be dealing with the ramifications of this bid for the next 80 years. It will take Airbus longer to start up the assembly line than Boeing, and it will take them longer to produce a viable plane. When they finally do, that plane will be just plain too big.

I am deeply troubled by this announcement. I expect to see a very detailed documentation on the questions we raised yesterday that were not answered from the Air Force. I also expect them to brief both competitors quickly. The long and short of it is, if this decision holds, it will be at the cost of American jobs, American dollars, if not our national security.

I again thank Senator MURRAY for reserving this time and yield the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

HOUSING CRISIS

Mr. McCONNELL. Mr. President, I wish to take a few moments of my leader time, not to interfere in the record with this discussion that has been ongoing between the Senators from Kansas and Washington.

Last week we debated housing. Democrats want to raise monthly mortgage payments on everyone who wants to buy a new home or refinance an existing one. Republicans have a broader, bolder plan. We want to create the economic conditions that make home ownership easier—more jobs and higher wages. Our first priority is to help families who are either facing foreclosure or seeing the values of their homes drop as a result of other foreclosures nearby.

This morning I want to talk about one specific action we can take to help these families. Home values are falling not only because of cut-rate sell-offs by banks but also because areas with high volume and vacant homes often see an increase in crime and neglect. One thing government has done in the past to the help reverse a slide in home values is to make tax credits available to people who pick up foreclosed homes in affected areas. This worked in the mid-1970s when a period of easing credit led to overconstruction and higher interest rates. Congress responded with a \$6,000 tax credit spread over 3 years for anyone who bought a new home for their primary residence. This is what they did back in the 1970s. Home values were stabilized. Inventory dropped, and the housing market recovered.

Congress should do the same today. Senator JOHNNY ISAKSON of Georgia, a real expert in real estate and housing, who spent decades in that field, has a fabulous idea. He saw the good effects of the tax credit that Congress provided back in the 1970s. Now he is proposing a \$15,000 credit spread over 3 years for people who buy newer homes with a first mortgage in default or single-family homes in the possession of a bank. Let me say that again. He is proposing a \$15,000 tax credit spread over 3 years for people who buy newer homes with a first mortgage in default or single family homes in the possession of a bank. Buyers must occupy those homes as their principal residence to be eligible. We are not about to let speculators come in and make the current problem even worse.

This is one idea Republicans are proposing to help families struggling with the painful effects of the housing downturn. I mentioned some of these ideas yesterday. We will discuss others as the week goes on.

A lot of families need urgent relief. They should know the Government is doing everything it can, without damaging our long-term economy, to help them through a very difficult stretch. We certainly should avoid measures that make the underlying situation worse, as the centerpiece of the Democrats' response to the housing situation would certainly make happen.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

BOEING LOSES

Ms. CANTWELL. Mr. President, I rise to join my colleagues, the senior Senator from Washington, Mrs. MURRAY, who did an eloquent job talking about the shocking news that came out last Friday about the Air Force's decision to go with the KC-30 tanker over the Boeing KC-767 plane. I know my colleagues from Kansas want to continue this dialog as well.

What we see is a lot of concern and questions that have not been answered by the Air Force. I appreciate the fact that Speaker PELOSI also issued a statement today questioning the decision by the Air Force and asking for further congressional review. That is why my colleagues are here this morning. We want answers from the Air Force. Frankly, we don't want to wait another week to get them. For 75 years, Boeing has been making tanker products. They know what they are doing. They submitted a bid to the Air Force for a more flexible plane with a cost-effective life cycle. It has proven boom technology. This technology is used to refuel aircraft for the militaries all over the world. Other governments have already bought this product and have made the decision to use this technology. It is amazing to my colleagues and me that the Air Force would make this decision about these planes based on one bid that is a proven technology and has proven successful for more than 70 years and all of a sudden switch to a product that has yet to be built and yet to be proven. The Air Force has made assertions and assumptions without giving Congress the answers.

What I am really amazed about, frankly, is that we are seeing some of the highest fuel costs in America and that impacts our Air Force as well and I want to know why the Air Force picked such a large plane, when their specs clearly asked for a medium-sized plane. If the Air Force wanted a large plane, the Air Force should have simply asked for a large plane. The Boeing Company could have provided a 777 instead of the 767. But that is not what the Air Force asked. I take the Air Force at its word when they say they want to be more energy efficient. In fact, the Air Force uses more than half of all the fuel the U.S. Government consumes each year. Aviation fuel accounts for more than 80 percent of the Air Force's total energy bill. In 2006,

they spent more than \$5.8 billion for almost 2.6 billion gallons of jet fuel, more than twice what they spent in 2003.

If anybody thinks fuel costs are somehow magically going to come down, they are not. The Air Force needs to consider the impact of fuel costs in the future. In fact, I believe it is a national security concern as to where the Air Force is going to get fuel in the future.

Just last Friday, the Air Force Assistant Secretary told the House Armed Services Committee that it wants to leave a greener footprint with more environmentally sound energy resources. Well, if the Air Force is coming up to Capitol Hill talking about a greener, more fuel-efficient plane and at the same time awarding a contract for a plane that burns 24 percent more fuel than the Boeing KC-767, they do not have their act together.

This is what Assistant Secretary Bill Anderson said:

The increasing costs of energy and the nation's commitment to reducing its dependence on foreign oil have led to the development of the Air Force energy strategy—to reduce demand, increase supply and change the culture within the Air Force so that energy is a consideration in everything we do.

Well, I certainly want to know what consideration the Air Force gave to this new energy mandate in their decision to go with the KC-30 over the KC-767, when the Boeing plane is 24 percent more fuel efficient.

Now, one of the things the Air Force stressed in the contract announcement was the size of the KC-30. It is a slightly bigger plane, and the Air Force claims to want that larger plane because it can carry more fuel. However, that fuel is going to cost us.

Since the Vietnam war, the average amount of fuel offloaded from these air tankers is 70,000 pounds. When these tankers are out refueling planes the average amount of fuel they need to carry to complete a mission is less than 70,000 pounds, and that is during combat operations when they are very busy, which obviously would be less during in peacetime operations. This begs the question: Why did the Air Force choose a foreign-built tanker that has the capacity to carry 245,000 pounds of fuel versus the right-sized plane from Boeing that carries 205,000 pounds of fuel? Why did they choose a plane they know is going to have more expensive life cycle costs and more expensive on fuel costs, instead of buying the right sized plane? That would be like driving a humvee to the Capitol every day when you could drive a more fuel-efficient car. The Air Force has to live up to their commitment to a greener energy strategy.

The second issue that is troubling to me is the fact that there is an issue about runway, ramp, and infrastructure capacity. The KC-767 tanker is a smaller plane, it has ability to land on many more airstrips we have access to around the world. The Boeing tanker

can land on shorter runways, takes up less ramp space, and altogether needs less infrastructure. The KC-767 can operate at over 1,000 bases and airstrips worldwide.

For example, at a strategic central Asian airbase in Manas, Kyrgyzstan that I think is key to the war on terrorism, the current runway cannot support the KC-30 plane. It cannot support the plane the Air Force just selected. However, it can support the KC-767 that Boeing offered. Again, it begs the question: why did the Air Force would choose a larger plane when it knows it is going to be unable to land at many bases and airstrips? Are we going to have to pay for the cost of infrastructure improvements of that as well?

It is very important, given these fuel issues and these infrastructure issues, that the Air Force prove to Congress that the cost-effectiveness throughout the life cycle of this procurement really does pan out. If we are simply talking about buying cheaper planes up front, but the life-cycle cost of these planes turns out to be exorbitant—because the fuel is more expensive, because the plane cannot land at various bases—and you have to spend billions more on both of those things, that is very troubling.

The reason this is so troubling to me is because I have seen this same issue play out in the commercial marketplace. Airbus planes have been backed by government financing in the commercial markets, so they were able to put a cheaper plane out in front of many governments across the globe. Boeing, on the other hand, has proven with technology to have more fuel-efficient planes, and they were able to show people that the true life cycle costs of their planes were actually more cost effective. The end result is a WTO dispute over the financing of Airbus by government-backed operations.

What I am trying to say is that the private sector has figured it out. In the commercial space, fuel-efficient planes are paying their way. I wonder why the Air Force did not figure out the same scenario and did not figure out that they will save U.S. taxpayers' dollars by having a more fuel-efficient plane. I also ask the Air Force to explain when the Boeing tanker is 22 percent cheaper to maintain because of the flexibility advantages it has.

I have concerns that Boeing worked hard to meet the requirements the Air Force set. The 767 platform best matched what the Air Force wanted. If they wanted a bigger plane with more capacity, they simply could have asked for one. Yet here we are with a questionable decision that I think raises concerns about the ability of the Department of Defense to maintain critical skills. We need to make sure there is a homegrown workforce and engineers to deliver products we need.

The U.S. Government needs to consider the national security implications of fuel efficiency in this procurement decision. It needs to take a look